



State of Utah
School & Institutional
Trust Lands Administration

Jon M. Huntsman, Jr.
Governor

Kevin S. Carter
Director

675 East 500 South, Suite 500
Salt Lake City, UT 84102-2818
801-538-5100
801-355-0922 (Fax)
www.trustlands.com

April 20, 2009

Scott M. Child
Manager, Lands & Regulatory Affairs
Interwest Mining Company
1407 W. North Temple, Suite 310
Salt Lake City, UT 84116

RE: ML 48258, Mill Fork Coal Tract Exploration Bonding

Dear Mr. Child:

Interwest Mining Company and Energy West Mining Company, by way of notice dated November 8, 2008 propose to conduct exploration drilling in 2009 upon certain lands within SITLA coal lease ML 48258, within the Mill Fork coal tract. The Trust Lands Administration hereby requests that prior to commencing said drilling operations in 2009, the operator or lessee post an adequate reclamation bond with either the Division of Oil, Gas & Mining or with the School and Institutional Trust Lands Administration to ensure satisfactory subsurface and surface reclamation of the proposed drill sites.

Previously, on April 16, 2003, Pacificorp as parent company of Interwest Mining and Energy West Mining, and lessee of record under ML 48258, posted Surety Bond #103908996 in the amount of \$50,000 with the School and Institutional Trust Lands Administration to ensure reclamation of exploration drilling then proposed in Sections 12 & 13, T16S, R6E, SLB&M of the leasehold. This surety bond has not been released by the Director and remains in full force and effect.

The present reclamation bonding requirement for 2009 exploration drilling may be accomplished by amending Surety Bond #103908996 with a rider to include coverage of all of the lands that comprise the leasehold, excluding the 40 acre parcel currently subleased to Andalex Resources, Inc. in NW4NW4, Section 8, T16S, R7E, SLB&M. The surety bond so amended may then also service subsequent annual exploration drilling programs upon the leasehold, on a case by case basis.

Alternatively, Operator/Lessee may post a separate \$50,000 bond covering only the proposed 2009 exploration drilling program for ML 48258. Please consider and take which ever action you deem appropriate to meet the 2009 bonding requirement. Please call me if you have any questions on this matter.

Sincerely,

John T. Blake
Trust Land Specialist

CC: Daron Haddock; Tom Lloyd; Sue Wiler, Tom Faddies

RECEIVED

APR 22 2009